

**Board of Directors Business Meeting**

**Tuesday, January 24, 2023, 7:00 a.m.**

**Location: Mountain America Center**

 **Idaho Falls Auditorium District Office/Zoom Videoconference**

[**https://us06web.zoom.us/j/87936693677**](https://us06web.zoom.us/j/87936693677)

**1690 Event Center Drive, Idaho Falls, Idaho 83402 - Room 2416**

**Participants:** Rob Spear, Terri Gazdik, Bob Nitschke, Steve Vucovich, Mike Carpenter (via Zoom), Ron Warnecke, Erik Hudson, Jennifer Bjornlie, Kevin Bruder (via Zoom), Mike Clements (via Zoom), Ken Wheadon (via Zoom), Mark Fuller, Rebecca Casper (via Zoom), Chris Hall, Kevin Greene

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda – Vucovich moved to accept the agenda. Warnecke seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 1-10-23
	2. Review of Payables/Financials – A payables list of $466,823.19 was reviewed and approved. Spear explained the largest item by far was a $458,879.92 payable to Bateman Hall for construction. Spear explained this was the difference between the pay application of $3,078,915.91 and the amount left in the Zion’s construction account. Nitschke asked where this funding came from and what the total cost of the project is. Spear said the funds came from IFAD’s Mountain America checking account and stated the total project cost is $51,388,962.17 but does not include the amount to repair the columns. Financial statements for November and a budget to actual schedule was reviewed and approved. Spear said the estimated budget over actual is $82K.
4. **Discussion Item** –Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board). There were no public comments.
5. **Discussion Item –** Update from Kevin Greene on Spudkings Hockey. Greene provided the following update:
* The 24-game home schedule this season was compressed into the last 3 months of the 5 month hockey season
* 18 home games have been played with 15 of the games being sellouts
* It is anticipated the last 6 games will be sold out
* Team plays 2 games versus Provo this weekend
* Spud toss has benefited five separate charities and there are four more to go
* Hall said they ordered 600 additional jerseys (second order) and received them on 12-29-23 and there are only 4 remaining.
* Davis hat trick generated 60,000 impressions
* Mountain View Hospitality section has only one available night left

Nitschke asked if an insert with the current roster and recent game highlights could be put into the Spudkings game program. Greene said that is something they should do. Nitschke pointed out that on page 43 of the program it states Elmore Spits Group and should be changed to the Elmore Sports Group.

Spear asked about column wrapping. Greene said three columns are wrapped and he is working on selling advertising for three additional columns. Greene anticipated all columns would be sold by next year. Greene said there is a strong demand for advertising.

Spear asked about ADA seating and the requirement that all season hockey ticket holders in the mezzanine level were required to have a seat plaque. Spear said it appears hockey season ticket holders in the bowl were relocated to the mezzanine level. Spear said the individuals who have purchased the seats below are frustrated because the people that were relocated did not appear to need ADA accommodations. Spear explained that anyone sitting in the front row of sections of 205 & 206 are prone to getting kicked because there is no barrier. Greene stated that he was told that if ADA seating in the bowl is sold out, they must relocate to ADA seating in the mezzanine level. Greene said he recently relocated another person to the mezzanine area with four seats.

Spear said if people are seated in the mezzanine level they should be required to pay the same price as any other person sitting in the mezzanine level and this includes paying for the seat plaque. Carpenter said he shares the frustration and people having access to the mezzanine must pay for that access. Hudson said they cannot dictate who qualifies for ADA seating based on appearance. ADA seats are sold at every price level as required but when they are sold out they are sold out. There is no obligation to move someone to a higher priced seat area if the lower priced seats are sold out. Hudson agreed with Spear that the mezzanine level is only for seat plaque holders and this needs to be followed. Greene said he has been advised that you can’t ask about a handicap, and you should just seat the people. Hudson said there are standard operating procedures that require season ticket holders in the mezzanine level to purchase a seat plaque regardless of their status and those must be followed. Hudson said he is happy to have the Events Services Manager discuss acceptable behavior with those people sitting in those seats.

Spear asked if all the ADA seats in the bowl area are functioning. Hudson said they are all functioning and they have added some additional companion seats.

Spear said whatever is decided, the most important thing is to have a physical barrier in place that prohibits people from getting kicked. Gazdik said this is a viable solution. Hudson will report back.

1. **Discussion Item –**Receive a punch list update from Mike Clements of Bateman Hall and Ken Wheadon of CRSA. Clements briefed the Board on the following:
* The punch list items will spill over into next week
* Still awaiting Gaches (flooring), NuVu (glass and exterior doors), and Bingham (toilets) to complete their work
* Spencer Howell from VBFA is on site to inspect all the mechanical work and address all the issues. Clements said this should have been done a lot sooner and is frustrated that it took 60 days after the facility was open to address the functionality of the mechanical systems.
* Clements said they are looking at how to resolve the permit issues with the City of Idaho Falls. Spear displayed the items that the City is requiring to be complete in order to get a Certificate of Occupancy. Clements said all the permits, with the exception of the cooking suppression system, have been paid but there is a closeout process that needs resolved. Clements said Rick Lawrence is reviewing.
* Guardian system has additional materials that need to be installed to finish the rigging safety system. Hudson this is scheduled 3-27-23 after the ice is removed.
* A short in heater system for ice plant is being investigated. Hudson said when the heater malfunctioned it created a situation where they were within 30 minutes of losing the ice. This is second time this has happened. Spear said he has authorized an alarm system to be purchased but he expressed concern that Ice Builders mentioned that there is a design issue with the condensing unit and that it was designed for a warmer climate. Hudson stated another arena professional indicated the condensing unit and cooling tower were not designed for anything lower than an outside temperature of 20 degrees. Wheadon said Rich Reeder designed the system and is the individual to discuss the situation with.
* Ice Builder operation manuals have been delivered but they are still awaiting several others including some from Irwin seating. Clements hopes to have all of these by end the of the month.

 Vucovich asked how the warning system for the ice plant alarm would work. Hudson said the warning system is set at various temperature set points. Anything that has a pump or compressor that is temperature dependent will provide a warning when temperatures are not within the correct range. The warnings come via phone, text, and email. Hudson said Brennan Mihalick is monitoring manually and diligently. Vucovich asked about the short in the heater. Hudson said they will know more today and explained when the heater shorted, this allowed water flowing into the compressors, located inside the cooling tower, to freeze. Vucovich asked if there were backup parts for the ice system. Hudson said redundancy in the system provides that backup. Hudson said the design for the pump, in the cooling tower, is flawed and they are working through it the best way they can. Warnecke asked what mitigating factors are being used now. Hudson said they brought in a portable heater and are flowing 110-degree water through the system. Warnecke asked about installing a heat trace system and Hudson said that is possible but it appears the problem has been identified (the heater was faulty and is now being replaced). Hudson does not think the pump was damaged.

Nitschke asked if the beer system issues have been worked out? Spear said this is an owner installed item and not the responsibility of Bateman Hall. Hudson said during last weekend’s games the beer poured perfectly. Spear said the manufacturing warranty has been compromised and asked Wheadon if he had heard from Rick Jedrziewski of Jedrziewski Designs about this issue. Wheadon said he would follow up and Gazdik asked it this could be done today or tomorrow. Wheadon said it depends on Jedrziewski’s availability.

Spear said the gas bill for the month of December was $17K which is about $4K higher than budgeted. Hudson said he has never seen a gas bill over $12K and stated something is not operating properly and suspected leaks may be the reason. Bateman Hall calculated gas usage based on BTU’s and the estimated amount of gas should be $12K. Hudson said they are working with the mechanical consultant and installers on finding a solution. Clements thought it would be wise to see what the next bill looks like but most of the equipment in the building is gas powered.

Clements said the smells in the building are not related to gas and related to sewage.

Warnecke said the quality of gas could impact gas consumption. Vucovich said the gas bill at his business has fluctuated between $3880 to $9900 and thinks the bill may be reasonable. Clements said everything was pressure tested and suggested this be discussed with the mechanical group.

Wheadon thought either an ASI (Architect Supplemental Information) or PR (Proposal Request) was issued about the ice condenser and supplying heat tape on pipes from the condenser to the building (in a follow up meeting it was confirmed heat tape is installed).

Nitschke asked about the issue with the elevator. Hudson said TKE is addressing the issue and mentioned there may be a ground short that resulted in the same elevator having issues yesterday.

Spear stated the southside card access door does not work and that the door may have been installed incorrectly. If that is the case Spear said the door should be reinstalled correctly. Clements agreed.

1. **Discussion Item –** Financial statement presentation from Erik Hudson on first month of operations and projections for next eleven months. Hudson requested this item be tabled until next meeting. Given this is the first such report, Hudson said he wants more time to provide a complete and detailed financial report and projection and estimated they are 75% complete. Hudson stated that the month of December will show that it was a fantastic month. Hudson said the preopening expenses are now complete and reconciled. Moving forward the financial information will be easily constructed and presented. Hudson said he would prefer presenting toward the end of every month which would allow them to capture events that actualized on the last day of the month (e.g. Harlem Globetrotters on 2-28-23). Gazdik asked if the January statements would be available for the 2-28-23 Board meeting. Hudson said those would be ready.

Bruder reiterated more work needs to be done and stated that from a revenue side there is a great story to tell and cited the following examples:

* Per game hockey tickets were estimated at 1721 but have exceeded 2700 in the bowl area
* Manheim Steamroller exceeded estimates by 1000 paid tickets
* Lindsey Stirling exceeded estimates by 700 paid tickets
1. **Action Item –** Approval of recognition plaque for IFAD Board. Spear presented the Board with five plaque color layouts and two metal options (bronze and aluminum). The plaque size will be 18” x 24”. Spear said both metal options offer lifetime guarantees and are suitable for both indoors and outdoors. The aluminum is $680 per plaque cheaper than bronze. Carpenter suggested option #5 with aluminum and also suggested the discussion on the location be postponed. Gazdik asked for a motion to approve 2 option #5 plaques made of aluminum. Nitschke moved to procure the plaques. Carpenter seconded. Motion passed.
2. **Discussion Item –** Next steps for the IFAD Foundation and formation of Board of Directors. Spear said he recently received a letter from the IRS that indicated they were unable to accept the IFAD Foundation submission for tax exempt status. This was in direct conflict with a letter received in September granting the IFAD Foundation tax exempt status. After receiving the September letter, Spear said he consulted with Greg Crockett who said everything appeared to be in order. Gazdik suggested going to the IRS website and typing in the EIN to find out the status.

Spear then briefed the Board on the bylaws and noted the current IFAD Board is the Board of Directors for the IFAD Foundation. Spear said the bylaws state no fewer than 3 and no more than 15 board members can be selected for the IFAD Foundation. This would allow some IFAD Board members and also allow some members of the general public. Gazdik said an initial formative IFAD Foundation Board meeting can be held with current IFAD Board members and then the discussion can take place about adding additional board members. Carpenter asked if board members can be outside the current IFAD District. Spear stated that is true and members could even be from out of state. Gazdik said it must be decided when the first IFAD Foundation Board meeting will take place. Fuller stated that there is an election in May and that may change the makeup of the current IFAD Board and recommended the IFAD Foundation Board be organized soon.

Spear said he would review the IFAD Foundation tax exempt status first. Once that is confirmed Gazdik said she would text the Board of a proposed meeting date.

**Report and Updates**

1. **Discussion Item –** Update from Erik Hudson and Kevin Bruder on Hero Arena at the Mountain America Center operations. Hudson provided the following update:
* Discussed a number of items with the food and beverage team and said there was success in pouring light beer. The solution is not permanent, but the condensing units located on top of the coolers are being compromised. Nitschke asked who was responsible for the permanent solution? Spear indicated it is CKS (Commercial Kitchen Supply) who installed all the kitchen and concession equipment.
* Beer concession road map will be unveiled this weekend and the customer will also be able to access it via their phone through a QR code. Nitschke asked about the specifics and wondered if food items such as beer cheese would be included. Hudson said it would tell where beer flavors were located and can easily be changed.
* The Mountain America website is being updated to a higher performing platform
* The Executive Chef has been replaced and the quality of the food product improved
* HVAC maintenance RFP has been sent out
* Refrigeration, water treatment and elevator maintenance RFP’s will be sent
* United Services has completed the basketball floor, and the first event is 2-28-23. Spear displayed some photos. The court will be installed two weeks before the event.
* Working on two NCAA basketball events
* Court will be stored in event center storage space and must be climate controlled
* Working with MACU on Zamboni lease option
* Met with Hero Meat Snack personnel and presented attendance data on total number of already actualized tickets sold, including upcoming events, through August equaling 132,463. This figure includes actualized conference space numbers but not future bookings.
* 97 ½ hours of ice time booked with private users.
* Fire and Ice Figure skating show is booked and being announced on 1-24-22
* Nitschke asked about other non-ticketed paying events. Hudson said promoters dictate how these will be communicated and the Fly-Tying Expo will announce on 1-26-23. Nitschke suggested these be listed in a calendar format. Hudson said the new website will include this functionality.
* The Lindsey Stirling and Mannheim concerts (in our venue) were ranked in the top 75 events for tickets sold and gross box office revenue in the world for the 4th quarter. This was through Poll Star magazine.
* Hudson expects sellouts for the Monster Truck Show, Brian Regan, Aaron Lewis, REO Speedwagon, Ice Racing, and the Harlem Globetrotters. A hip hop show will be coming in April.
* Hudson elected to Rotary Board starting in July.

Fuller asked about what the response should be when people say every event is sold out and the venue is too small. Hudson responded that this is the number one question the venue receives but emphasized the facility is attracting large scale concerts which indicates the facility is big enough to attract these touring artists. Hudson cautioned that there could be an attendance drop off in the future. Hudson said in his experience, you expect attendance numbers for anchor tenants to drop off after the first six events. However, that is not the case with hockey because the last eight games of the season are sold out. Spear stated that nationally arenas and stadiums are downsizing to focus more on the customer experience. Hudson said the trend in the entertainment industry, in markets that are not A markets, is to construct 4000-6000 seat venues with a primary tenant associated with the venue. Gazdik said the facility was built for the customer experience and that is why the venue was built to accommodate 4,000-6,000 people.

Google reviews are 4.4 out of 5. Many of the negative comments are outside our control, like the stage configurations which are dictated by the artist.

Fuller asked about an altercation at a recent hockey game. Hudson said there was a fight in the stands and that game operations personnel handled it appropriately. Police escorted the aggressors from the venue and an incident report was filed. The aggressors are now banned from the facility.

Nitschke asked about the process for banning people. Hudson said the venue’s operating procedures allow for people to be banned. Hudson then cited an incident where a patron stole a hockey stick from an opposing player. Hudson’s team discussed that situation with the patron and the patron was told if they are involved in another incident, they will be permanently banned from the facility. On another occasion a patron was banned from the facility permanently for engaging in a negative way with an opposing player. All incidents are handled separately.

Warnecke asked if the Fire Department is at every game. Hudson said there are two police officers and two fire department employees at every game.

Spear asked about controlling access to the suite level because some individuals are using screen shots of other people’s tickets to access the mezzanine. Hudson said they have doubled personnel at the top of the stairs and may need to start scanning at the top of the stairs. Hudson said scanning at the top of the stairs is a last resort.

Nitschke asked if there is any resolution on the inadequate pubic Wi-Fi in the event center, Nitschke said he is unable to send text messages and photos. Hudson said he accessed the internet with Silver Star personnel during a full house hockey game and sent an email from his computer and a video from his phone. Hudson said Centennial Management pays Silver Star for a monthly Wi-Fi service but that the center is not charged for service calls. Hudson encouraged Nitschke to test the Wi-Fi again during hockey games this upcoming weekend.

1. **Discussion Item** - Executive Director Report
	1. Fundraising – Spear said seat plaques continue to be sold, averaging about 6-8 per week. Over 520 have been sold and total seat plaque sales will be capped at 700.
	2. State Tax Commission Reports – Spear said TRT funds are still not being sent to the Zions lock box and checks will need to cut to send that revenue to Zions.
	3. IFAD Accounting Services – Wipfli informed IFAD that they are requiring a $2500 per month minimum for accounting services. Spear said Wipfli has agreed to provide services for the next two months and have recommended a local bookkeeper. Gazdik said this is not uncommon in the accounting world. The pressure and demand from the market is causing larger firms to set base pricing because they can’t attract enough personnel to keep up with demand. Gazdik said it was important to note that the volume of work in the future will diminish. Fuller asked whether a former Wipfli employee, who retired, may be available. Spear said he would inquire through Wipfli.

Nitschke asked about the relationship with Hero Meat Snacks. Spear said a good meeting was held last week and that all parties are now on the same page. Warnecke wanted to know if Hero was getting the brand recognition they expected. Hudson said the Hero arena name was involved in 1.7M impressions through social media channels since the grand opening. Hero was pleased with this data. Spear said any additional lighting for Hero signs on the exterior of the building would be the responsibility of Hero. Nitschke stated the Board should approve any change to the exterior. Fuller asked about placing a permanent Hero sign on the large marque. Spear said this could be possible but the designs for the marquee are already in progress.

* 1. Action Items
		1. Follow up on punch list items
		2. Finalize IFAD naming plaque
		3. Contact IRS
1. **Discussion Item** - Legal Report – Fuller had nothing for this meeting.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on February 14, 2023**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for February 14, 2023, meeting. Gazdik announced that she would not be present for the 2-14-23 meeting and said Vucovich would need to run the meeting.
	* + 1. Hudson to report on physical structure that prohibits people from being kicked
			2. Hudson to present 2022/2023 financial statements and report
			3. Clements to report on condenser issues and alarm installation progress
			4. Wheadon to report on contact with Jedrziewski, etc.
4. **Action Item** - Adjournment to Executive Session – At 9:02 AM, Gazdik read a motion to move into Executive Session. Nitschke, Carpenter, Warnecke, Vucovich and Gazdik all voted in the affirmative.
5. **Executive Session -** Idaho Code Section 74-206 (1) (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.
6. **Adjournment from Executive Session –** Adjournment from Executive Session at 9:44 AM.
7. **Action Item –**Action taken on Section 74-206 (1) (f) matter discussed in Executive Session. There were no action items taken by the Board.
8. **Action Item -** Adjournment from Public Session at 9:45 AM